

**MINUTES OF REGULAR MEETING OF
THE REDEVELOPMENT COMMISSION OF GREENSBORO
JANUARY 20, 2004**

REGULAR MEETING

The Redevelopment Commission of Greensboro met in regular meeting in the Planning Conference Room, 3rd Floor, Melvin Municipal Building, Greensboro, North Carolina, on Tuesday, January 20, 2004 at 5:05 p.m. Present were: Chairman Bill Benjamin, Joe Wood, Jerry Leimenstoll, Nettie Coad (arrived at 5:09 p.m.) and Scott Lilly. Dan Curry, Dyan Arkin and Barbara Harris represented the Housing and Community Development Department (HCD). Jim Blackwood, Esq., was present as legal counsel for the Commission.

Chairman Benjamin called the meeting to order, introduced himself, and welcomed everyone to the meeting. He asked that anyone who wished to speak to come up to the microphone, identify themselves, and give their address.

PUBLIC HEARING ITEM: OLE ASHEBORO REVISED REDEVELOPMENT PLAN

Mr. Curry said the one issue remaining to be resolved from the last meeting was the proposed placement of a piece of land on the acquisition list that is owned by the Music Garden. It is at the northwest corner of Lee and Arlington Streets. The Commission's directions to staff were for staff to meet with the Music Garden owners and their representatives and see what could be worked out to be mutually agreeable with the owners and the goals of the Plan.

Staff met with the Music Garden owners, had a good discussion, and learned about their desires for the property. Following that meeting, the owners provided information in the form of a sketch showing proposed uses that they would like to see on that site.

Staff provided that information to Urban Design Associates (UDA), who was responsible for the design work on the original plan, and they came back with an amended concept for that block. Staff shared that information with the owners so they had a chance to look at it prior to a meeting this morning at 9 o'clock where there was more discussion. The revised concept still did not meet the owner's desires for the property. They talked further about how to move this process forward. He thanked the Heyges and their attorney, Representative Norman Smith. A Memorandum of Understanding has been prepared that describes the process by which we would continue to work on the plans for this block, but clearly identifies those portions of the site that would be shown on the acquisition list so the Plan could move forward. He passed out copies of the Memorandum of Agreement for the Commission and its attorney to review.

Counsel Blackwood said the sketch attached to the Memorandum of Agreement outlines the total of all of the owners' property and acknowledges that the portion where the existing business is and area around it necessary for the business would not be on the acquisition

list.

The portion of their property necessary for the Vance Street right-of-way would be on the acquisition list, together with a strip behind the building on the southeast corner not to exceed 35 feet, the final determination to be as necessary to allow improvements to be made for the redevelopment along the west side of the Vance Street Extension. As for the remaining portion of their property, the frontage on Lee Street and corner on Arlington, listed as "natural park easement land children's park", first it is the owners' desire to work with City Parks and Recreation, the neighborhood and the Piedmont Land Conservancy to see if that can be donated as a park. There will be at least a year for determination of that. If for some reason the City did not accept it as a park it would be on the acquisition list, but held in abeyance. If that were not acceptable to all the parties, then it would be subject to continuation of negotiation or condemnation, if necessary.

Mr. Curry oriented the Commission on the map location of the subject property, the one acre plus that will be eliminated from the acquisition list, being where the Music Garden is located, the proposed extension of Vance Street and the site the parties would be working on as the park proposal.

Mr. Curry said UDA, had proposed about a 40-foot wide green space, an avenue of trees and plantings along the Arlington Street frontage and Lee Street frontage to give a real green exposure of that lot. It also proposed the development of a small pocket park or children's park on this corner, working with the development pattern so that you have a lot of eyes on that park with the new development that would occur. They did feel very strongly that the frontage along Lee Street was property that really needs to have some presence to Lee Street and that the building line along Lee Street needed to be preserved for new development. This was envisioned as some sort of mixed use, retail with office above, office with residential above, then some additional development work on the southern side of the block. The uses really didn't change at all from the original plan simply some of the placement of buildings and then the park concept and the avenue of trees was the new concepts. The feedback from the owners was that it still didn't accomplish the green space that they had envisioned in the block.

Counsel Blackwood said the Commission basically would be approving the plan with the park still on the acquisition list, but holding in abeyance acquisition of the property along Lee Street to determine if the City wanted to accept it for Parks & Rec. If there is not a consensus reached with the City, Piedmont Conservancy and the neighborhood or the Planning Committee after a year or a reasonable extension determines that it is not going to be reached, then it says that the Commission can move forward by negotiation of price or condemnation.

In response to a question from Mr. Wood, Mr. Curry said Item No. 3 in the Agreement, indicates a strip of land no greater than 35 feet in width on the southeast side of the property, and he hoped staff had identified this correctly, but the way staff understands it, it was a strip of land that would allow the depth necessary to do the development work.

Norman Smith, Esq., 101 South Elm Street, representing the Heyges, said their

conversations thus far with Piedmont Land Conservancy and with Dan (Curry) and Maxine of Parks & Rec have been about a natural area with heavy plantings, trees, shrubs, flower beds, walkways and benches, somewhat similar perhaps to the Arboretum. They think it would be attractive and nice and that the people in this community would respect it. It's not a flat, grassy ball field or something like that, but something that would be very enhancing and inviting.

Ms. Lorna Heyge, 507 Arlington Street, said she would say beyond that the name of their company is Music Garden. They deal with young children, birth to 9. She passed out photographs that she said were teaching tools that they developed for young children to learn about natural habitats. They teach music, but they teach it from the point of view of nature. Children all over American and all over the world use their curriculum, but it is all developed here in Greensboro. In the booklet they prepared for the Commissioners, they will see the sculpture on the side of their building, which shows children playing in a free area with trees and moving around. Their concept is for there to be a storytelling area, for there to be low trees for children to crawl under, to hide - it really isn't a playground like we have at daycare centers, but a place for children to learn to love nature. We have these places at the Arboretum but she did not know of any places like that for children in this part of Greensboro.

Chairman Benjamin said there were actually three areas. It is clear that the actual location for the Music Garden where the physical plant is would remain the Music Garden. Then we have a road area and in between we have something that would be for future, initially to be towards the purposes of a park, but if not, coming back to this group.

Counsel Blackwood said they also have, as necessary, the possibility of that strip not to exceed 35 feet.

Carl Brower, Chairman of Ole Asheboro Planning Committee, 907 Douglas Street, said he had a brief opportunity to review the plans and Mr. Curry had reviewed the Agreement with him. As far as he knew, they should not have any opposition to this plan.

In response to a question from Ms. Coad, Ms. Heyge said the border on their property had already been established with gardens. As she understood the Plan that Mr. Curry sent back, it treated this area as what amounts to normal setback. On her map, their setback was already landscaped and exists. She pointed out what would be natural area and said she would hope that they would ask whoever builds down here to have that setback.

Attorney Smith said he thought the planner and designers who come up with what this park should look like ought to be very much influenced by this notion that it should have a border around it or attractive trees. He said the existing plantings were shown on page 7 of the brochure.

Chairman Benjamin said the attempt was to keep the Plan moving intact so that we don't have to come back and reestablish through public hearings a new Plan modifying this area.

Mr. Wood asked what the role of Piedmont Land Conservancy was in this matter?

Attorney Smith said an easement would be conveyed to them requiring perpetual parkland.

In response to a question from Mr. Leimenstoll, Counsel Blackwood said, unless there were other proposed changes to the Plan as previously presented to the Commission, assuming that the Commission accepts this proposed modification, the Commission needed to approve the plan as already proposed, subject to the modifications of the Memorandum of Understanding as to the acquisition of the Heyges' property at Arlington and Lee Streets.

Mr. Lilly moved that the Commission approve the proposed amendments of the Redevelopment Plan of Ole Asheboro as presented to the Commission, as modified by the Memorandum of Agreement, and authorize the Chairman to enter into this Agreement, seconded by Ms. Coad. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

MINUTES OF NOVEMBER 18 AND DECEMBER 16, 2003 MEETINGS

Approvals of these minutes were continued to the February meeting.

Ms. Arkin introduced Barbara Harris, who will be working while Caroline is on leave. Ms. Harris will be the primary staff contact for the Redevelopment Commission.

EASTSIDE PARK NEIGHBORHOOD: ACQUISITION OF 216 YORK STREET

Ms. Arkin said the property at 216 York Street, owned by W.B. Wall, is a duplex measuring 1,300 square feet on a 6,250 square foot site (the identical size to 214 York Street). The structure was built in 1954 and now rents for \$325 per unit. The appraiser relied largely on the income approach to determine a value of \$42,500 for the property. The reviewer noted some omissions/mistakes in the appraisal, but concurs with its value estimate. The Commission is asked to consider the appraisal and establish an offer price for the property.

Mr. Wood said to open this up and get it on the floor, he would make a motion that staff be authorized to make an offer of the appraised value of \$42,500 for the acquisition of 216 York Street, seconded by Mr. Leimenstoll.

W.B. Wall said he had had this property since 1954. He said the appraiser has not really appraised 216 and based his value on 214. He has never really gone inside of 216. He said he turned down \$50,000 for the subject property last year.

Chairman Benjamin told Mr. Wall he was welcome to get a copy of the appraisal, if he had not already gotten one. He said the Commission would basically be sending out the Commission's offer for the property at \$42,500. Chairman Benjamin said the appraiser set a value, using the income approach since 214 and 216 each rented for \$325 per month, which meant getting into the premises was not as critical. If Mr. Wall wanted to have a counteroffer appraisal he could come back to the Commission after it was completed.

Mr. Lilly explained to Mr. Wall that the Commission has to give fair market value, so if Mr.

Wall has an appraisal that gives a different fair market value he could bring that to the Commission but of course the counteroffer appraisal would be reviewed to make sure that it is fair.

Ernest Wall, 8504 Bromfield Road, Oak Ridge, said he was W.B. Wall's son. He asked what time frame there was for responding to the Commission's offer?

Chairman Benjamin said the Commission meets once a month. If they need more time it will not be a problem.

Chairman Benjamin called for a vote on the motion now on the floor. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wolf, Coad, Leimenstoll, Lilly. Nays: None.)

WILLOW OAKS NEIGHBORHOOD: COUNTEROFFER FOR 2137 McCONNELL ROAD

Ms. Arkin said this acquisition appeared on the Commission's August 7, 2002 agenda. The Commission authorized condemnation in the amount of \$16,000 on February 11, 2003. A counteroffer appraisal in the amount of \$28,000 (dated March 2003) was submitted by the owner. This appraisal was reviewed and the amount found to be acceptable, although the techniques employed by the appraiser were often not appropriate to the analysis. The Commission is asked to consider its original offer of \$16,000 and the counteroffer of \$28,000 and establish a new offer price for the property.

Ms. Arkin said her understanding was that they did not receive the counteroffer appraisal until the beginning of December, it being received by Scott Brannan.

John Troxler, 817 Broad Avenue, said the counteroffer appraisal was done in the summer of this past year by Messick & Assoc. His attorney, Donald Murphy, had the appraisal.

Counsel Blackwood said he wanted to be very careful going forward because this was a pending action in court. Since Mr. Murphy represents Mr. Troxler and is not present, he did not want them to engage in discussions that would cause any concerns on the part of Mr. Troxler's attorney or the court system as to our having entered into discussions with Mr. Troxler.

Chairman Benjamin asked Mr. Troxler if his attorney was aware that Mr. Troxler was going to be here tonight?

Mr. Troxler said they didn't get the notice until last week. Yesterday was a holiday so he went by his attorney's office today and found Mr. Murphy not in.

Counsel Blackwood said he had a vague recollection that sometime a week or 10 days ago, Donald Murphy called and left a message for Mr. Brannan about possible mediation. He asked Ms. Arkin if she was aware of whether or not this was true? He said he was assuming probably there had been a direction from the court that this proceed toward mediation.

Ms. Arkin said she did not have that from Mr. Brannan.

Counsel Blackwood said the Commission certainly could consider the counteroffer appraisal and the Commission could certainly go into Executive Session for discussion.

Mr. Lilly moved that the Commission take no action on this item, 2137 McConnell Road, tonight, seconded by Ms. Coad.

Mr. Wood moved that the Commission table this item, 2137 McConnell Road, since we have two sets of appraisals, ours and the owner's, and since the court is going to have this move towards mediation.

Mr. Lilly asked if he had to withdraw his motion?

Chairman Benjamin said he would rule that Mr. Lilly's motion was the same affect, i.e., to take no action. He thought that was probably in order because their motion was made first, unless Mr. Lilly and Ms. Coad wanted to withdraw their motion.

Counsel Blackwood said he thought it would be very appropriate to go into Executive Session. It was a lot easier for him to feel like he could advise the Commission and also for the Commissioners to consider certain alternatives in handling this matter.

Mr. Lilly and Mr. Wood withdraw their motions.

Mr. Wood moved that the Commission go into Executive Session to discuss the property located at 2137 McConnell Road. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

The Commission went into Executive Session from 6:00 p.m. until 6:20 p.m.

Chairman Benjamin announced that the Commission unanimously voted to get a reconciling appraisal.

Mr. Wood moved that in the future when the Commission has competing appraisals, if they are at least 50 percent different, then the Commission would go to a third or reconciliation appraisal.

Counsel Blackwood said he was assuming what the Commission was trying to do is give a firm direction to staff. Staff can always come back after they have gotten appraisals or counterappraisals and ask for the Commission's direction. However, he did believe that as you go up in value, you probably will want to consider lowering the percent of difference between appraisals because if you are acquiring a property that appraised at \$500,000 and they come back at \$650,000, that is \$150,000 extra dollars and represents, particularly if it's improved property, a substantial difference in the way the appraisers viewed it.

Mr. Wood withdrew his former motion. He then made a motion that in cases where the

Commission has competing appraisals from the Redevelopment Commission and the property owner, if the property is under \$100,000 in value, if the difference is 50 percent, then it should go through a reconciliation appraisal. For properties \$100,000 and over, if there is a differential of \$25,000 or more, then it should go to reconciliation appraisal.

As an alternative, Chairman Benjamin suggested that the Commission say that when there are competing appraisals, then staff will assist the Commission by engaging or hiring a reconciling appraiser when there is a substantial difference.

Mr. Wood said he accepted Chairman Benjamin's friendly amendment to his motion.

Mr. Curry said the only thing he would ask just as a question, would the Commission want to add, in addition to having significant differences in value, other concerns that have been identified by the review appraiser. He said staff gets some of these things in and the reviewer says well he didn't do this and this and this, and he thought staff would like to have the discretion, if there is question about an appraisal or the review that they cannot resolve themselves, that staff go ahead with that extra appraisal.

Mr. Leimenstoll seconded the amended motion.

Chairman Benjamin said it had been moved and seconded that the Commission adopt a policy that if there are competing appraisals and if there is a substantial difference, then staff is authorized to get a reconciling appraisal. If staff has any question, they can still come to the Commission for an answer.

There being no further discussion, the Commission voted 5-0 in favor of the amended motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

EASTSIDE PARK NEIGHBORHOOD. ACQUISITION OF 214 YORK STREET

Ms. Arkin said the property at 214 York Street, owned by Bobcat Properties, is comprised of a duplex measuring 1,300 square feet on a 6,250 square foot site. The structure was built in 1954 and now rents for \$325 per unit. The appraiser relied largely on the income approach to determine a value of \$42,500 for the property. The reviewer notes some omissions/mistakes in the appraisal, but concurs with its value estimate. The Commission is asked to consider the appraisal and establish an offer price for the property.

Mr. Wood moved that the Commission authorize staff to offer \$42,500, the appraised value, for property known as 214 York Street, seconded by Ms. Coad. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

PUBLIC HEARING ITEM: AMENDMENT TO THE EASTSIDE PARK REDEVELOPMENT PLAN

Mr. Curry said this was an Amendment to the Eastside Park Revitalization Plan and staff believes the final Amendment to that Plan. This is an effort that has been underway since the late 1980s. It was designated first as the Bingham Street Project; a couple of years later

it grew into an overall Neighborhood Revitalization Plan called Eastside Park. Over the ensuing decade, we have put 70 families in new homes, rehabilitated over 80 apartment units and had a number of other activities. About \$8.5 million of private investment has gone into this neighborhood so there has been a lot done.

Back in the fall, staff had a public meeting with the community, at which they presented some findings indicating that there were a couple of properties that in the ensuing years have fallen into disrepair that did not get onto the original acquisition. This Amendment adds 4 properties and 3 buildings to the acquisition list and actually removes 4 properties from the acquisition list. The 4 properties proposed to be added to the acquisition list are: 206 and 208 York Street, a 5-unit apartment building; 218 York Street, which is a single-family house; and there is a mistake in your memo since 1851 should read 1851 Spencer Street, not York Street, which is a 5-unit apartment building.

Mr. Curry said the properties that are being removed from the acquisition list are on Gant and on the corner of York and Hillsborough that were apartment buildings renovated as part of the Alexander Homes Rehabilitation Project, and the two lots on Hillsborough Street on which Habitat for Humanity has already built new homes.

The community supports this Amendment to the Plan and staff does have funding in place in this year's budget and a proposed Community Development budget next year to complete all this work and wrap up in the Eastside Park Neighborhood.

Mr. Wood moved that the Commission adopt the amendments as presented to the Eastside Park Redevelopment Plan, seconded by Ms. Coad.

In response to a question from Chairman Benjamin, Counsel Blackwood said the Commission could continue to make Amendments to Redevelopment Plans indefinitely because they do not have a termination on them. He said he was certain at some point in time that someone might raise the issue as to the certifying of an area and whether or not the conditions that existed still exist if you amended a plan after 20 years, 30 years, 40 years, but that has not occurred. The statutes only require at the moment that you have an area that's been certified by the Planning Board as a Redevelopment Area of some sort. The Commission is charged with developing a Redevelopment Plan for it and then it simply says that if you make a material change to plan, the Amendment to such Plan requires the same publishing process through or by the Commission, and public hearing process through or by the City Council to amend the Plan.

Mr. Curry said this was a public hearing on the Amendment to the Eastside Redevelopment Plan and was advertised as a public hearing. You have just heard the staff presentation and you are ready to ask for public comments.

Chairman Benjamin asked where was the money coming from for these four properties?

Mr. Curry said \$500,000 was budgeted this year to substantially complete this neighborhood.

Mr. Lilly said his opinion was that the Commission needed to get these blighted areas, which is how we get eminent domain in the first place, to the point where the market is putting investment into them. Once we say, okay, we're done, we've got it, it is taking on private money, and then it is up to Code and Zoning to maintain it.

Mr. Wood said Council has said that there needs to be another \$500,000 spent on this neighborhood and said here's the money for it. So if we don't do it, then we are overriding City Council. They've made a directive. We've got \$X-million in CDBG funds. In our humble opinion, you all need to go out there and spend another \$500,000 in this neighborhood and here's the money to do it.

Ms. Coad asked how did that decision get made?

Mr. Lilly said he believed it was a proposal that the Commission had signed off on. However, the Commission can discuss what happens after these four properties are added to the acquisition list. He said to correct him if he was wrong, but they budgeted \$500,000 last year because the Commission thought that was what the neighborhood needed to adhere to the Redevelopment Plan.

Counsel Blackwood said he thought they were premature. You don't want to terminate a Redevelopment Plan while you are still involved in owning a lot of land. He said he had advised the Commission not to close any Redevelopment Plan and there had never been a Redevelopment Plan that has been closed. There are Plans that are off the budget, but they are not closed. The area downtown was certified back in the 1960s and then when there was a possibility of being able to get private money at substantially low tax rates, the area was not only reactivated, but expanded. As a result, there is a building down on Edgeworth Street that is 7 or 8 stories high that was renovated on tax-exempt bonds. Those would not have occurred if any of these areas or Plans had been closed.

Chairman Benjamin said it had been moved and seconded that the Amendments be made to release the properties as shown under Item No. 3 and to add the ones shown under Item 3 as well. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

FORMER HAMPTON REDEVELOPMENT AREA: DISPOSITION OF 2503 EVERITT STREET

Ms. Harris said the Redevelopment Commission considered 2503 Everitt Street at its October 2003 meeting. This property, still owned by the Commission from the Hampton Redevelopment area (approved in 1976) was requested for purchase by Rev. Lester Woodard for the use of a church parking lot. At the October meeting, the Commission asked staff to research the property and the intended use under the Hampton Redevelopment Plan. Disposition of this property was prepared in 1978 to the Church of God of Prophecy for \$1,501. The deed was prepared and submitted to the Commission; but was never executed or conveyed.

The Hampton Plan designates the property for institutional use. Because the property was

acquired by condemnation (at a cost of \$9,800), the property must be sold at fair market value or by restricted use sale. The property was appraised in August 2003 for \$16,000. The reviewer supported this value conclusion. The Commission is asked to consider the disposition of this property and to set a sale price.

Mr. Wood moved that the Commission instruct staff to put the property at 2503 Everitt on the market at the appraised value of \$16,000 for the use as allowed in the former Hampton Redevelopment Plan, seconded by Mr. Lilly. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

ANNUAL ELECTION OF REDEVELOPMENT COMMISSION OFFICERS

The current officers of the Commission are: Chairman, Bill Benjamin; Vice Chairman, Joe Wood; Secretary, Nettie Coad; Treasurer, Scott Lilly; Assistant Secretaries, Jerry Leimenstoll, Andy Scott, Dan Curry and Carolina Wells. The Redevelopment Commission is asked to consider the current officers and approve of any changes as desired.

Mr. Wood moved that the officers of the Redevelopment Commission retain their present titles for another year, seconded by Ms. Coad. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

* * * * *

There being no further business before the Commission, the meeting was adjourned at 6:50 p.m.

Respectfully submitted,

Dan Curry
Assistant Secretary

DC/jd.ps